

**OTAY RANCH PRESERVE OWNER/MANAGER (POM)
POLICY COMMITTEE MEETING**
1800 Maxwell Road, Lunch Room
Chula Vista, CA 91911

February 4, 2009
2:00-4:00 pm

AGENDA

- I. Call to Order**
- II. Approval of POM Policy Committee Meeting Minutes of November 20, 2008**
- III. Public Comment on items not related to Agenda**
- IV. Status Reports**
 - A. Outstanding Issues on Pending Conveyances** (*Josie McNeeley, Cheryl Goddard*)
 - 1. Future Infrastructure**
 - a. Mediation
 - 2. Access Issues**
 - a. Access through other Public Agency lands
 - B. Future Preserve Owner/Manager Alternatives**
 - 1. Alternative Pros and Cons**
- V. Finance** (*Josie McNeeley, Cheryl Goddard*)
 - A. FY08-09 Budget Update**
 - B. Proposed FY09-10 Budget**
 - C. 5-year Projected Budget**
- VI. Next Policy Committee Meeting** (*Cheryl Goddard, Josie McNeeley*)
 - A. TBD**
- VII. Adjournment**

DRAFT Minutes
Otay Ranch POM Policy Committee Meeting
County Administration Center, Tower 7
1600 Pacific Highway
San Diego, CA 92101

November 20, 2008
2:00-5:00pm

ATTENDEES:

City of Chula Vista

Jerry Rindone, Deputy Mayor
Scott Tulloch, Interim City Manager
Michael Shirey, Deputy City Attorney
Marisa Lundstedt, Principal Planner
Josie McNeeley, Associate Planner

County of San Diego

Chairman Greg Cox, 1st District Supervisor
Michael De La Rosa, District 1, Policy Advisor
Chandra Wallar, Deputy Chief Administrative Officer, Land Use & Env. Group (LUEG)
Megan Jones, LUEG Staff Officer
Renée Bahl, Director, Department of Parks and Recreation (DPR)
Mark Mead, County Counsel
LeAnn Carmichael, Planning Manager, Department of Planning and Land Use
Larry Duke, District Park Manager, DPR
Cheryl Goddard, Land Use Environmental Planner, DPR

Public

Amber Himes, Fish and Wildlife Services
Libby Lucas, CA Department of Fish and Games
Michael Beck, Endangered Habitats League
Tom Tomlinson, McMillin Companies
Rikki Schroeder, RMA for McMillian Companies
Curt Noland, Otay Land Company
Kim Kilkenny, Otay Ranch Company
Ranie Hunter, Otay Ranch Company
Rob Cameron, Otay Ranch Company
Sean Kilkenny, Otay Ranch Company

(Attachment A – Sign-in Sheet)

Agenda Item Numbers noted in parentheses

1. Call to Order

(I.) Meeting called to order at 2:08 pm by County of San Diego/CHAIRMAN GREG COX.

- 2. (II.)** City of Chula Vista/DEPUTY MAYOR JERRY RINDONE motioned to approve the meeting minutes. Motion seconded by CHAIRMAN COX. Motion carried.

3. Public Comment on items not related to Agenda

(III.) CHAIRMAN COX opened and closed with no comment.

4. Status Report

(IV.A.1.a) County of San Diego/LEANN CARMICHAEL reported on the Board Policy I-109 Otay Ranch Implementation Document Amendment (*initiated by the County of San Diego*) - Adoption of Phase 2 RMP and Preserve Boundary Modifications - CARMICHAEL stated that the County is working with City staff to discuss policy issues that will be placed in the update. The Phase 2 RMP update is expected to be completed next year.

(IV.A.1.b) CARMICHAEL reported that the Applicant for Village 13, the Otay Ranch Company, is working with County staff on technical studies and project design issues. The applicant's due date to submit is in March 2009.

(IV.A.1.c) CARMICHAEL reported that the County's Wolf Canyon IOD Vacation/Replacement application is pending on reaching resolution on future infrastructure.

(IV.A.2.2) City of Chula Vista/JOSIE MCNEELEY reported that the City is in line with the County's Wolf Canyon IOD Vacation/Replacement application. The City will coordinate with County staff as hearing dates are scheduled after the issue of future infrastructure is resolved.

(IV.B.1) County of San Diego/CHERYL GODDARD reported on the status of pending conveyances. GODDARD stated that there are approximately 1,500 acres that are pending conveyance due to outstanding issues. Outstanding issues include future infrastructure, access issues, and a vacation/replacement process.

GODDARD reported that there are approximately 114 acres that are pending conveyance due to the issue of future infrastructure. These lands include 41 acres offered by Brookfield Shea in the Salt Creek area and 73 acres offered by Otay Ranch Company in Wolf Canyon. Pending resolution on the issue of future infrastructure, POM Staff anticipates these lands to be accepted and transferred in fee title in 2009.

GODDARD reported that there are 109 acres that are pending conveyance due to the issue of future infrastructure and the property has a Wildlife Agencies' restoration requirement. The property is in year 5 of a 5 year success criteria for wetland restoration. POM Staff anticipates this land to be transferred in fee title in 2010.

GODDARD reported that there are 405 acres that are pending conveyance due to access issues in which the developer, Otay Ranch Company, is in the process of providing access easements to the property. POM Staff anticipates these lands to be transferred in fee title in 2009.

GODDARD reported that there are 350 acres that are pending conveyance due to access issues in which POM Staff is working with the developers, Otay Ranch Company and McMillin Companies, to obtain legal access to the proposed conveyance lands. POM Staff is working with the City of San Diego Water Department and the California Department of Fish and Game office to discuss legal access options. POM Staff anticipates these lands to be transferred in fee title in 2009.

GODDARD reported that there are 558 acres that are pending conveyance due to a vacation and replacement process. These lands are located directly north of Village 13. These lands will not be accepted until the Village 13 development and Preserve footprint are considered and approved by the County Board of Supervisors. POM Staff anticipates these lands to be transferred in fee title in 2010.

GODDARD summarized the pending conveyances. There are 1,536 acres that are pending conveyance. 869 acres are anticipated to be transferred in fee title in 2009. Of the 869 acres, 114 acres are pending due to future infrastructure issues alone. 667 acres are anticipated to be transferred in fee title in 2010.

(IV.B.2) MCNEELEY reported on the meeting held with POM Staff and Wildlife Agencies' Staff. The County and the City have served as the POM over the last 12 years. Pursuant to the Otay Ranch Joint Powers Agreement (JPA), under Section 2, the functions and role of the POM are to be re-evaluated every 5 years. The City has initiated discussions with the County to determine what the future approach of the POM should be, i.e. what is the best option for the management and monitoring of the Preserve. POM Staff held a meeting on November 5th with the Wildlife Agencies including the U.S. Fish and Wildlife Services, CA Department of Fish, and Game, and the San Diego National Wildlife Refuge. This allowed POM Staff to obtain input from the Wildlife Agencies on how to better manage the Preserve. POM Staff has looked at options including the National Wildlife Refuge taking over as POM for those lands east of Otay Lakes and within the Refuge boundary, assigning a third-party POM who would assume management and monitoring responsibilities of the

Preserve, and the possibility of splitting the Preserve responsibilities so that the City is responsible for managing and monitoring those Preserve lands within the City's jurisdiction and the County will be responsible for the Preserve lands within the unincorporated County. As a result of the meeting, staff discovered there would be some hurdles that will be faced with each option, primarily due to funding and how money would be split. Staff also discussed MSCP obligations with the Wildlife Agencies. POM Staff will continue to explore these options and report back to the Preserve Management Team (PMT) with pros and cons of each and hopefully come back to the Policy Committee with a recommendation.

CHAIRMAN COX asked for clarification regarding if there was previously a willingness by the Wildlife Agencies to take on management and monitoring of some of the Otay Ranch Preserve lands without cost to Otay Ranch property owners.

MCNEELEY stated yes. The Wildlife Agencies agreed to take over lands east of the lakes within the Refuge without Otay Ranch funds and this agreement is documented in the Baldwin Agreement.

CHAIRMAN COX asked why the Wildlife Agencies aren't honoring the agreement.

MCNEELEY stated that the Wildlife Agencies are considering taking over these lands however they will need direction from the State and Federal authorities to do so. Looking at the options it is a matter of State and Federal funding. If the Refuge takes over the lands they must also assume all the costs to manage and monitor these lands as they would with any of their other land. The Refuge has not closed the door on this option.

DEPUTY MAYOR RINDONE stated that POM Staff will work on the pros and cons of each option to be presented back to the PMT and Policy Committee. Since this is DEPUTY MAYOR RINDONE'S last POM Policy Committee due to being termed out he stated he wanted to voice his opinion for the record. DEPUTY MAYOR RINDONE stated that bringing in a third-party to assume POM responsibilities will create more hurdles.

CHAIRMAN COX motioned to direct POM Staff to come back to the Policy Committee at its next meeting and present the pros/cons, strengths/weaknesses, and risks related to each POM alternative. CHAIRMAN COX requested that a copy of the Baldwin Agreement be provided as a handout.

DEPUTY MAYOR RINDONE seconded the motion. Motion passed.

5. Policy Decision Issue

(V.A.) GODDARD reported on the proposed Dispute Resolution Process and provided background information on this item. The JPA requires a

unanimous vote by the Policy Committee to set policies related to the POM. The JPA does not have a process in place to resolve issues in which POM Staff, the PMT, or the Policy Committee is unable to reach consensus. The Policy Committee directed staff to draft a dispute resolution process to include non-binding mediation to be presented back to the Policy Committee.

GODDARD stated that the dispute resolution proposal includes that the County and the City, as the POM, must agree to a neutral third party mediator; each party pays for ½ of the cost of the mediation session; the results of the outcome are non-binding; the PMT or Policy Committee may direct staff to participate in mediation; the referring body whether it be the PMT or Policy Committee recommend a maximum amount to be spent per specific issue; and the and if consensus still cannot be reached, the Policy Committee may direct the PMT is to recommend alternative action. The alternative actions include participate in additional mediation sessions; maintain status quo; refer the matter to the Otay Ranch Sub-Committee as established by County Board of Supervisors Policy I-109; Refer the matter to the legislative bodies of the City and the County for direction; take other action as permitted by the JPA; or any other legally permissible action which the Policy Committee may deem appropriate.

GODDARD stated that the dispute resolution process may be implemented by amending the JPA which shall require Board and City Council action or the Policy Committee may adopt and implement the process as a POM Policy.

GODDARD stated that POM Staff's recommendation is to approve the POM Dispute Resolution Process and implement as a POM Policy.

CHAIRMAN COX motioned to approve the POM Dispute Resolution Process and implement as a POM Policy.

DEPUTY MAYOR RINDONE seconded the motion. Motion passed.

City of Chula Vista/SCOTT TULLOCH asked to revisit the item of an alternative POM. TULLOCH asked DEPUTY MAYOR RINDONE to expand his thoughts on why he believed a third-party POM would create additional hurdles.

DEPUTY MAYOR RINDONE stated that bringing in a third-party adds to the complexity of the POM. If there is a dispute and the dispute resolution process includes non-binding outcomes then you have additional complexities. All the benefits and disadvantages of each option should be explored.

U.S. FISH AND WILDLIFE SERVICES/AMBER HIMES asked if the Policy Committee had any thoughts on the other two alternatives.

DEPUTY MAYOR RINDONE stated not at this time. POM Staff will provide the background and pros and cons of each alternative. The future of the POM and how it is managed is important and decisions impacting its future should not be rushed decisions.

CHAIRMAN COX stated he is interested in hearing POM Staff's recommendations and their presentation on the pros/cons and strengths/weaknesses of each alternative.

DEPUTY MAYOR RINDONE stated that his term officially ends in December and that he would not be the City's representative on the POM Policy Committee for the next meeting but that he has told the City's Interim City Manager that he could assist in the transition stage as the City appoints a new representative.

(V.B.) MCNEELEY reported on the status of the future infrastructure issue. At the last Policy Committee meeting, the Policy Committee was not able to reach resolution on this item and directed POM Staff to continue discussions on future infrastructure. At that time, the City had new assigned legal staff, JILL MALAND. MALAND has had an opportunity to get up to speed on this item and has continued discussions with County Counsel. Prior to the last PMT meeting, the City's Attorney provided a letter to County Counsel outlining the City's position on future infrastructure. It included new citations. Mediation was discussed at the last PMT meeting. The letter sent to the County two weeks ago included a list of possible mediators. The County narrowed the list down to four mediators and the City is completing further refinement on the list. City anticipates scheduling the mediation within the next 2-3 months.

CHAIRMAN COX asked if mediation could occur before the next Policy Committee meeting.

MCNEELEY stated that POM Staff will try to schedule the meeting before the next Policy Committee meeting.

GODDARD clarified the timeline regarding mediation and future infrastructure. GODDARD stated that POM Staff anticipates mediation to occur within the next 2-3 months. POM Staff will need to present the results of the mediation and any new recommendations on future infrastructure to the PMT and then the Policy Committee. Future infrastructure will be a couple months down the line before the Policy Committee is presented with results of the mediation and any new recommendations, if any.

CHAIRMAN COX asked if there were any projects that would be impacted by this timeline.

Audience members from the public stated that there are no issues with the timeline.

6. Finance

(VI.A.) MCNEELEY summarized the Fiscal Year 2007-2008 budget. At the last Policy Committee meeting, staff provided estimates on the FY 2007-2008 status. Today's Powerpoint slide shows actual final totals. The Fiscal Year 2007-2008 budget was \$300,000. The City went out to levy for \$382,623. The actual revenue collected totaled \$362,206 and the total expenditures totaled \$302,867. Administrative costs for Fiscal Year 2007-2008 exceeded the estimated budget by approximately \$13,000. This was due to policy issues that were addressed this year. Staff spent additional time researching future infrastructure issues and Chula Vista's finance staff completed research and provided background on the CFD 97-2. The Preserve Operations and Maintenance actual totals were approximately \$10,000 less than what was budgeted. The money was used to pay for the seasonal ranger, minor equipment and hand tools, signs, and fence installation. The Monitoring total was \$110,000. The \$110,000 is encumbered in a contract. The consultant was paid \$50,000 last fiscal year and the remaining \$60,000 has been rolled over to the Fiscal Year 2008-2009 budget. The \$60,000 was levied during Fiscal Year 2007-2008. In summary, staff budgeted \$300,000 for FY 2007-2008 and the budget was exceeded by nearly \$3,000.

MCNEELEY stated that the beginning fund balance for Fiscal Year 2008-2009 was \$378,274. The estimated budget for this fiscal year is \$505,000. The City went out to levy for \$510,339.

POM Staff budgeted for \$118,000 for administrative costs. Staff tried to keep administrative costs to less than 25% of the budget so that staff could focus on management and monitoring on the ground. Preserve operation and maintenance was budgeted at \$47,000. Resource monitoring was budgeted at \$165,000. This includes surveys that are currently under the POM's ownership and any ongoing surveys that are necessary. The budget also includes \$175,000 for baseline surveys on any lands that the POM accepts this fiscal year. At this point, the POM is not likely to accept any new lands due to policy issues. Staff may look at using this money for adaptive management projects or other type of monitoring. A Working Group meeting will be scheduled to collect their input on what the priorities should be for the Preserve. There is a line item on the Fiscal Year 2008-2009 budget for \$60,000. This money was levied and collected in the 2007-2008 Fiscal Year and is encumbered in a contract to complete baseline surveys on POM lands.

CHAIRMAN COX asked what the maximum amount the City could have levied for at the beginning of the fiscal year.

MCNEELEY stated that the City went out to levy for \$510,339 and that was the maximum amount they could levy for.

CHAIRMAN COX if that amount is being assessed.

MCNEELEY stated yes and the first collection is due in December. MCNEELEY stated once the numbers from the first collection are accounted for, staff can provide an update on the delinquency rate.

CHAIRMAN COX stated that the County participates in a program authorized by the State called the Teeter Program. The County pays for all outstanding property taxes for each jurisdiction then the County goes after the owners who are delinquent in their payments. The County ultimately makes money on this program because of the penalty fees that are also collected as a result of the payments being delinquent. There was obviously a delinquency issue with last year's fiscal budget as the City levied for \$382,623 and the City collected \$362,206 with an approximately \$20,000 difference.

MCNEELEY stated that the delinquency rate for last fiscal year was 8.6%.

CHAIRMAN COX stated that 8.6% would be more than the \$20,000 unless some monies were collected after the due date.

MCNEELEY stated that the revenue collected may include interest. City Staff will confirm with the City's finance staff.

CHAIRMAN COX asked if the City had the ability to front-load the delinquency payments like the County.

County of San Diego/MARK MEAD stated that is what the Auditor and Controller's office reported. Community Facility Districts do not qualify under the Teeter Program.

CHAIRMAN COX asked when the outstanding payments would be paid.

MCNEELEY stated that delinquent payments are paid when the home is purchased by a new owner.

CHAIRMAN COX asked if the delinquent payments become a lien on the home.

MCNEELEY stated yes.

DEPUTY MAYOR RINDONE asked staff to use the term “restricted reserve” versus “reserve” so that it is not included in the City’s General Fund Reserve. This is done with MTS and TransNet reserve funds.

County of San Diego/CHANDRA WALLAR stated that the PMT will keep a close eye on the December property tax collection. If there is a shortfall, the PMT may recommend that adjustments be made to the budget.

CHAIRMAN COX stated that the good news is that it looks like the reserves at the beginning of the year were at about 60% or so of the budget. Having this much of a magnitude in budget it’s probably normal to have at least 6 months worth of the budget in the reserve. This will give us the opportunity to fine tune the budget if there is a shortfall in the budget.

WALLAR stated that the PMT is very interested in seeing the 5-year strategic plan for spending so we can see trends if any. It will provide an opportunity for the PMT and Policy Committee to plan as a strategic standpoint.

(VI.B.) MCNEELEY stated that the PMT was very interested in the 5-year budget forecast. POM Staff is preparing a 5-year forecast table illustrating the projected POM expenditures and estimated CFD levy amounts through FY2012/2013. The 5-year forecast will also consider input from the Working Group. We anticipate discussing monitoring priorities and the cost estimates for such monitoring. The Working Group meeting will be scheduled for early December. It has been made clear that POM staff needs to generate this table in order to allow the PMT and the Policy Committee a chance to review the budget prior to the City taking it to the City Council. POM Staff is working on the table and will need to come to agreement regarding the assumptions made to create the budget.

(VI.C.) MCNEELEY stated that through the processing of last year’s budget City Finance Staff has come up with dates to submit budget numbers to them to be included in City Council budget workshops and hearings. City Finance Staff has identified potential dates in which POM Staff is to submit budget numbers to them. These dates are February 6th to submit the Draft POM Budget; February 20th to submit the Final POM Budget; and April 15th to submit any anticipated Rollovers.

CHAIRMAN COX made a motion to direct POM Staff to bring back next Fiscal Year’s budget and a 5-year budget forecast to the Policy Committee before a levy amount is introduced to the City Council.

DEPUTY MAYOR RINDONE seconded the motion. Motion passed.

(VI.D) GODDARD stated that the County, on behalf of the POM, applied for a \$125,000 TransNet Environmental Mitigation Program Grant from SANDAG. This money is proposed to be used for Cactus wren habitat restoration efforts in Salt Creek. On September 26th, the SANDAG Board of Directors authorized SANDAG staff to begin the process of entering into a contract with the County. SANDAG staff indicated that the County will receive a copy of the contract within 3-4 weeks.

CHAIRMAN COX clarified that this grant amount does not show up in the budget but it will obviously be used to benefit the Preserve.

GODDARD stated yes.

WALLAR noted that POM Staff, the Wildlife Agencies, and are partners in NGOs played a role in making this grant successful.

CHAIRMAN COX congratulated City and County staff for making the grant happen.

7. Next Policy Committee Meeting

(VIII.) CHAIRMAN COX stated that it looks like POM Staff is proposing two possible dates for the next Policy Committee meeting, Wednesday, January 21st or Friday, January 23rd.

TULLOCH corrected the dates to be Tuesday, January 20th or Friday, January 23rd.

BAHL stated that since the City, at this time, does not have a new Policy Committee member assigned, the two dates are based on CHAIRMAN COX'S availability for late January. The City has agreed to help facilitate the scheduling of the next Policy Committee meeting so that one of those two dates works.

CHAIRMAN COX asked if a motion is needed.

BAHL stated no. Both dates will be held on CHAIRMAN COX'S calendar until confirmation is received from the City.

TULLOCH stated that the new Councilmembers are to take office on December 2nd. It is Mayor Cox's intention to designate a new Policy Committee member for the City by December 9th or 16th. As soon as a new member is designated, City staff will work to confirm a date.

CHAIRMAN COX stated that the next Policy Committee meeting will either be on Tuesday, January 20th or Friday, January 23rd. It will likely be held from 2-5pm at the City of Chula Vista Lippett Public Works Building.

8. Adjournment

(IX.) CHAIRMAN COX asked if there were any questions or comments from the public. Hearing none, the meeting was adjourned at 2:45pm.

**Future Preserve Owner/Manager Alternatives for the
Otay Ranch Preserve**

February 4, 2009

OTAY RANCH PRESERVE OWNER MANAGER (POM) STAFF RECOMMENDATION:

POM Staff, with the support of the Preserve Management Team (PMT), recommend that the Policy Committee to direct Staff to:

- 1) Meet with the Wildlife Agencies, both regulatory and land management divisions, and the Working Group to obtain their feedback on the POM Alternative descriptions, pros/strengths, and cons/risks of each alternative listed below;
- 2) Outline implementation steps needed to execute each alternative;
- 3) Draft estimated timelines to execute each alternative; and
- 4) Discuss the outcomes for the items listed above with the PMT and Policy Committee at their next regularly scheduled meetings.

INTRODUCTION:

In 1996 the County of San Diego (County) and the City of Chula Vista (City) designated themselves as the Otay Ranch POM. The County and the City executed a Joint Powers Agreement (JPA) (Attachment A) to delineate their respective roles and responsibilities. The role of the POM is discussed in detail in Phase 2 Resource Management Plan (RMP), Section II.A (Attachment B). Generally the POM is tasked to protect resources, monitor and manage preserve lands; participate in necessary enforcement activities; develop educational facilities and interpretive programs; and implement and/or coordinate and accommodate research programs.

As stated in the JPA and Phase 2 RMP, the JPA is to be reviewed every 5 years. At the last PMT and Policy Committee meetings, the PMT and the Policy Committee directed POM staff to review the JPA and explore future POM alternatives and the pros/strengths and cons/risks of each. POM staff has provided the following future POM alternatives for the PMT and Policy Committee's consideration:

- Existing POM Structure
- U.S. Fish and Wildlife Services (USFWS) manage lands east of Otay Lakes/Determine appropriate POM for remainder of conveyed Preserve lands
- Third Party POM
- Jurisdictional POMs:
 - o Option 1: Each jurisdiction is responsible for implementing POM tasks and responsibilities as outlined in the RMPs on conveyed preserve land within their respective jurisdiction.
 - o Option 2: Each jurisdiction is responsible for implementing POM tasks and responsibilities as outlined in the RMPs on conveyed preserve land associated with a development project within their respective jurisdiction.

Implementation of an alternative POM may require amending the JPA and Phase 2 RMP. Amendment to the JPA and Phase 2 RMP requires County Board of Supervisor and Chula Vista City Council action.

BACKGROUND:

Existing POM:

After the County and the City conducted interviews for an Otay Ranch POM in January 1995, the County and the City jointly concluded that the role of the POM needed to be better defined and that the cost of operating the preserve needed to be more precisely calculated. It was further concluded that none of the candidates, acting alone, demonstrated the range of skills and experience necessary to permanently perform the POM function. In response, the County and the City agreed to select themselves as POM until greater information is known about the scope and nature of the preserve. The allocation of POM responsibilities was jointly prepared by the County and the City and is generally allocated according to the following broad classifications:

- Resource Protection, Monitoring and Management - County
- Environmental Education - City
- Research - City
- Recreation - City
- Law Enforcement - Shared responsibility based on jurisdiction

To date, all development projects have occurred within the City's jurisdiction. Therefore funding of the management and monitoring, including administrative costs, of conveyed lands have been collected through the City's established community facilities district for the Otay Ranch Preserve, CFD 97-2. As development projects are built within the County's jurisdiction, each project will be conditioned to establish a community facility district or similar funding mechanism to contribute its fair share in funding required RMP tasks.

Since the County is tasked with resource protection, monitoring and management of the preserve, the County invoices the City for administrative, operational, and monitoring costs.

U.S. Fish and Wildlife Services (USFWS) manage lands east of Otay Lakes/Determine appropriate POM for remainder of conveyed Preserve lands

As the Otay Ranch General Development Plan/Subregional Plan (GDP/SRP) was being processed, agreements were being established between the County, the City, developers and the Wildlife Agencies. In 1996, the U.S. Fish and Wildlife Services (USFWS) agreed that all preserve lands east of Otay Lakes and within the National Wildlife Refuge boundary will be transferred directly to USFWS. USFWS will be relieved of any and all RMP obligations associated with the transferred lands. This agreement is documented in what is commonly referred to as the "Baldwin Agreement" (Attachment C) and was incorporated into the County's South County MSCP Subarea Plan adopted by the County's Board of Supervisors. Preserve lands east of Otay Lakes and within National Wildlife Refuge boundaries total approximately 6,200 acres of which approximately 1,100 acres are currently owned and/or being managed by USFWS or the California Department of Fish and Game.

As agreed to by USFWS, funding for the management and monitoring of the transferred lands will be at no cost to Otay Ranch. The remainder of the preserve lands not transferred to USFWS will remain the responsibility of private property owners until conveyed to a POM and will be managed pursuant to the RMP. The PMT and Policy Committee will need to determine an appropriate POM for the remainder preserve lands, be it the current POM or one of the proposed alternative POMs.

Third Party POM

The County and the City initially envisioned the preserve to be managed by a Third Party POM. However in 1995 after completing interviews for a Third Party POM, the County and the City determined that that role of the POM needed to be better defined and that the cost of operating the preserve needed to be more precisely calculated. It was further concluded that none of the candidates, acting alone, demonstrated the range of skills and experience necessary to permanently perform the POM function.

Since the County and the City have been designated as the POM for the last 12 years, the role of the POM is better defined and the cost of operating, managing, and monitoring the preserve is documented in past budgets and projection of costs have been drafted for the next 5 years.

The funding source will be identical to the existing POM structure, however instead of the County invoicing the City for operational, management, and monitoring costs, the Third Party POM will invoice the City and the County (depending on if development projects have been built in the unincorporated County).

Jurisdictional POMs

Option 1: Each jurisdiction is responsible for implementing POM tasks and responsibilities as outlined in the RMPs on conveyed preserve land within their respective jurisdiction.

This option will divide the preserve based on jurisdictional lines. The County and City will be responsible for implementing RMP tasks and insuring POM responsibilities are completed for all conveyed preserve lands within their respective jurisdictions.

The funding source will be identical to the existing POM structure. The County and the City will need to come to agreement on a per acre rate for management and monitoring costs of conveyed preserve lands. The per acre rate may vary based on location and specific management and monitoring needs of the area.

Option 2: Each jurisdiction is responsible for implementing POM tasks and responsibilities as outlined in the RMPs on conveyed preserve land associated with a development project within their respective jurisdiction.

The County and City will be responsible for implementing RMP tasks and insuring POM responsibilities are completed for all conveyed preserve lands associated with a development project within their respective jurisdictions. Additionally, the conveyed lands must be managed and monitored in accordance to the jurisdiction's MSCP Subarea Plan in which the land is located.

The City will continue to fund conveyed preserve lands associated with projects within their jurisdiction through CFD97-2. As development projects are built within the County's jurisdiction, each project will be conditioned to establish a community facility district or similar funding mechanism to fund required RMP tasks on preserve lands conveyed as a part of their project.

FUTURE POM ALTERNATIVES
Pros/Strengths & Cons/Risks

	Existing POM	USFWS manages lands east of Otay Lakes within NWR boundaries/Determine appropriate POM for remaining conveyed preserve lands	Third Party POM	Jurisdictional POMs Option 1: Each jurisdiction is responsible for implementing POM tasks and responsibilities as outlined in the RMPs on conveyed preserve land within their respective jurisdiction	Jurisdictional POMs Option 2: Each jurisdiction is responsible for implementing POM tasks and responsibilities as outlined in the RMPs on conveyed preserve land associated with a development project within their respective jurisdiction
PROS/STRENGTHS	<ul style="list-style-type: none">+ County and City are currently serving as preserve land managers+ County and City have served as the POM for 12 years and have the experience and resources to manage the Preserve	<ul style="list-style-type: none">+ USFWS service will take on the management and monitoring requirements of all lands transferred to them+ USFWS will manage the lands at no cost to Otay Ranch projects+ County and City as the POM, or an alternative POM, can focus on Otay Valley Parcel and the eastern portion of the San Ysidro Parcel not located within the NWR boundary+ The existing POM, or an alternative POM, can focus more on recreation, and environmental education and research projects in the Otay Valley Parcel. These efforts can be coordinated with the Otay Valley Regional Park Joint Staff.+ It is unlikely that the County or the City will have the need to levy for the maximum assessment amounts possible	<ul style="list-style-type: none">+ One entity will be responsible for all POM tasks, i.e. resource protection, monitoring and management, environmental education, research, recreation, and enforcement activities+ Third Party POM may be able to spend more time completing on-the-ground management tasks than administrative tasks+ Because the Third Party POM may have more time for on-the-ground management tasks, they will have the technical knowledge of specific resource needs and priorities+ With the technical knowledge of specific resource needs and priorities, a Third Party POM will have better cost estimates on needed management and monitoring tasks.+ With a Third Party POM, the PMT and Policy Committee could choose to meet less often, twice a year vs. quarterly	<ul style="list-style-type: none">+County and City can serve as preserve land managers+ Eliminate the need for a joint PMT and Policy Committee+ Policy issues would be resolved by each respective jurisdiction	<ul style="list-style-type: none">+ County and City can serve as preserve land managers+ Eliminate the need for a joint PMT and Policy Committee+ Policy issues would be resolved by each respective jurisdiction+ Budget issues would be resolved by each respective jurisdiction+ County and City will be independent POMs to conveyed preserve lands associated with development projects within their respective jurisdiction
CONS/RISKS	<ul style="list-style-type: none">- Because the County and the City are joint POMs, policy decisions must be resolved jointly. Policy decisions require a unanimous vote by the Policy Committee. If a unanimous vote cannot be reached, it may require mediation, and may hold up pending conveyances until the policy issue is resolved, i.e. future infrastructure.- The PMT and Policy Committee currently meet quarterly which requires staff to focus more on administrative tasks than on-the-ground management tasks or focusing on potential environmental education/research projects.	<ul style="list-style-type: none">- Unknown timing on when the USFWS will implement the agreement- A POM will still need to be identified for remaining preserve lands	<ul style="list-style-type: none">- Limited qualified candidates- Third Party POM is similar to the existing POM structure in that there is still the need for a County and City POM Policy Committee, PMT, and Staff to review the Third Party POM monitoring reports and ensure that the RMP tasks and all POM responsibilities are being completed.- If policy issues arise, they will need to be resolved jointly by the County and the City see (see Existing POM Cons/Risks).	<ul style="list-style-type: none">- The County and the City may contract with different consultants to complete baseline and on-going monitoring. Standard survey methodologies and reporting forms should be utilized to insure consistency.- The County and City will need to agree on per acre rates for management and monitoring costs of conveyed preserve lands.- Economy of scale for the management and monitoring of the preserve will be reduced- If County or City propose amendments to any RMP policies, then these changes may require consensus between the two jurisdictions	<ul style="list-style-type: none">- The County and the City may contract with different consultants to complete baseline and on-going monitoring. Standard survey methodologies and reporting forms should be utilized to insure consistency.- Economy of scale for the management and monitoring of the preserve will be reduced- If County or City propose amendments to any RMP policies, then these changes may require consensus between the two jurisdictions

FEASIBILITY	Current issues may continue to hold up pending conveyances and the County and City will need to rely on biological consultants to conduct species-specific management and monitoring tasks.	The County and City will need to identify a POM for a smaller portion of land, which may be more manageable for a non-profit organization, or third-party POM.	Previously, the County and City could not find an acceptable candidate to serve as POM. To date, the City is unable to find an acceptable entity that is willing to accept the management and monitoring responsibilities of Chula Vista MSCP Preserve land.	In order to ensure that each jurisdiction is responsible for implementing management and monitoring obligations per their respective MSCP plans, an MOU or other agreement may be required. If consensus cannot be reached between the County, City and Wildlife Agencies on management and monitoring obligations, this option will not be feasible.	<div>In order to ensure that each jurisdiction is responsible for implementing management and monitoring obligations per their respective MSCP plans, an MOU or other agreement may be required. If consensus cannot be reached between the County, City and Wildlife Agencies on management and monitoring obligations, this option will not be feasible.</div> <div>Legal consultation is needed to determine how jointly approved documents (GDP/SRP and RMPs) will be implemented or amended if County and City are each solely responsible for policy interpretations and/or future amendments to the documents</div>
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Estimated POM Budget FY 08-09

Task	Projected Expenditures
Administration	
CFD Consultant	\$18,000
City Staff/County Staff Time	
City Staff	
Environmental Manager	\$20,800
Engineering	\$15,000
Counsel	\$5,000
County Staff	
DPR Staff	\$52,456
Counsel	\$4,496
General Services	\$2,748
Administration Total	\$118,500
Preserve Operation and Maintenance	
County Seasonal Park Attendant ¹	\$36,000
Preserve Equipment and Improvements	
Fence Maintenance	\$3,000
Minor Equipment, i.e. Hand/Power Tools	\$5,000
Signs	\$3,000
Preserve Operation and Maintenance Total	\$47,000
Resource Monitoring Program	
Biological Resources: Expanded/Enhanced Baseline Survey OR Active Management ²	\$100,000
Biological Resources: On-Going Surveys ³	\$65,000
Resource Monitoring Program Total	\$165,000
SUB TOTAL FY08-09 (Admin, Maint, and Monitoring)	\$330,500
ONE-TIME COSTS FOR BASELINE SURVEYS IF ADDITIONAL LANDS ARE CONVEYED TO THE POM IN FY08-09⁴	
Baseline Survey ⁵	\$175,000
TOTAL IF ADDITIONAL LANDS ARE CONVEYED TO THE POM IN FY08-09	\$505,500
<i>Biological Resource Baseline Surveys not completed in FY 07-08 (funding from levy of FY07-08, \$50k paid in FY07-08)⁶</i>	\$60,000
GRAND TOTAL	\$565,500
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ESTIMATED BUDGET FOR FY08-09	\$565,500

Note: Line items listed in blue denote one-time costs

¹Cost estimate is for one Seasonal Park Attendant only. Expect to increase as additional land is conveyed to the POM.

²The Expanded/Enhanced Baseline Survey OR Active Management will be conducted on land conveyed to the POM consisting of the 517.42 acre property conveyed to the POM by McMillin Companies, the 339 acres deeded to the City per the University Agreement, and the 437 acres also deeded to the City per the Conveyance Settlement Agreement – totaling 1,293.42 acres.

\$30,000 (30%) of the consultant contract will be funded from the FY08-09 budget. The balance of \$70,000 (70%) will be marked in the FY09-10 budget.

³The On-going Biological Surveys will be conducted on land conveyed to the POM consisting of the 517.42 acre property conveyed to the POM by McMillin Companies, the 339 acres deeded to the City per the University Agreement, and the 437 acres also deeded to the City per the Conveyance Settlement Agreement – totaling 1,293.42 acres.

\$19,500 (30%) of the consultant contract will be funded from the FY08-09 budget. The balance of \$45,500 (70%) will be marked in the FY09-10 budget.

The cost for On-going Biological Surveys is currently calculated at \$50/acre.

⁴Baseline surveys are required on all lands conveyed to the POM. The purpose of baseline surveys is to collect data and information about the present status of biological and cultural resources on the conveyed lands. The survey results are required in order to set realistic targets, measure change, and make comparisons.

The budget proposed under the ONE-TIME COSTS FOR BASELINE SURVEYS IF ADDITIONAL LANDS ARE CONVEYED TO THE POM IN FY08-09 includes lands that are conveyed to the POM by the end of the 2008 calendar year. If lands are conveyed to the POM within FY08-09 but after the 2008 calendar year, the proposed line items under ONE-TIME COSTS FOR BASELINE SURVEYS IF ADDITIONAL LANDS ARE CONVEYED TO THE POM IN FY08-09 will be budgeted for the following FY. Rationale: In order for baseline survey encumbrances to be included for FY08-09, all of the following must occur: 1) Contract for the baseline surveys must be signed no later than 01/3, 2) the draft survey reports must be submitted to POM staff no later than 06/01, 3) POM staff must approve the draft survey report no later than 06/15, 4) Charges must be invoiced no later than 06/21.

⁵If additional lands are conveyed to the POM before the end of the 2008 calendar year, \$52,500 (30%) of the consultant contract for baseline surveys will be funded from the FY08-09 budget. The balance of \$122,500 (70%) will be marked in the FY09-10 budget.

⁶This line item is for accounting purposes only and will not affect the FY08-09 assessment total or Reserve fund.

Estimated POM Budget FY 09-10

Task	Projected Expenditures
Administration	
CFD Consultant	\$18,540
City/County Staff Time	
City Staff	
Environmental Manager	\$21,424
Engineering	\$15,450
Counsel	\$5,150
County Staff	
DPR Staff	\$58,000
Counsel	\$4,631
General Services	\$2,830
Administration Total	\$126,025
Preserve Operation and Maintenance	
Park Ranger ¹	\$74,000
Preserve Equipment and Improvements	
Fence Maintenance	\$1,200
Minor Equipment, i.e. Hand/Power Tools	\$2,540
Preserve Operation and Maintenance Total	\$77,740
Resource Monitoring Program	
Baseline Surveys ²	\$202,500
On-Going Surveys ³	\$65,000
Resource Monitoring Program Total	\$267,500
TOTAL FY09-10 (Admin, Maint, and Monitoring)	\$471,265
Carry forward from FY07/08 Resource Monitoring Program ⁴	\$60,000
Carry forward from FY08/09 Resource Monitoring Program ⁵	\$340,000
GRAND TOTAL FY09-10 (Including Carry Forward)	\$871,265

Note: Line items listed in blue denote one-time costs

¹Seasonal Park Attendant position is proposed to be converted to a Park Ranger position for FY09-10. If the POM does not receive an additional 700 acres by the middle of FY09-10, the Seasonal Park Attendant position will not be converted and the remaining funds may be reallocated to additional management or monitoring tasks (as-needed).

²Baseline surveys are required on all lands conveyed to the POM. The purpose of baseline surveys is to collect data and information about the present status of biological and cultural resources on the conveyed lands. The survey results are required in order to set realistic targets, measure change, and make comparisons.

For FY09-10 it is anticipated that an additional 900 acres will be conveyed by the end of the 2009 calendar year. The cost for Baseline Surveys is currently calculated at \$225/acre.

³The On-going Biological Surveys will be conducted on land conveyed to the POM – totaling 1,293.42 acres.

The cost for On-going Biological Surveys and Adaptive Management of these lands is currently calculated at \$50/acre.

⁴This line item is for accounting purposes only and will not affect the FY09-10 assessment total or Reserve fund. Monies for this line item was levied for in FY007-08. This money is encumbered in a contract with Dudek to complete baseline surveys on ~1,300 acres of POM managed lands.

⁵This line item is for accounting purposes only and will not affect the FY09-10 assessment total or Reserve fund. Monies for this line item was levied for in FY08-09. At the January 23, 2009 PMT meeting, the PMT approved a portion of the funds be allocated to the following tasks:

- 1) \$ 10,000 - Survey of an additional 286 acres of suitable habitat for the CA gnatcatcher on POM managed lands
- 2) \$ 15,000 - Spring floral surveys on POM managed lands
- 3) \$ 56,000 - Quino surveys on POM managed lands
- 4) \$ 8,200 - 2 Additional Herp sessions, total of 5 sessions, on POM managed lands

POM staff will be working in coordination with the Working Group to determine how the remaining carry forward funds may be utilized.

POM Budget Forecast (CFD 97-2)
Showing FY07-08 thru FY13-14
January 23, 2009

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
FISCAL YEAR	NUMBER OF TAXABLE PARCELS ¹	AVERAGE PER PARCEL ASSESSMENT ² (D/B)	MAXIMUM LEVY AMOUNT	CHANGE IN REVENUE FROM ASSESSMENT COMPARED TO PREVIOUS FY (D2-D1/D2)	REVENUE ³ [D-(D*0.0817)]	CARRY FORWARD BALANCE (RESERVE) ⁴	HEALTH OF THE CARRY FORWARD BALANCE (RESERVE) ⁵ (G/O)	INTEREST EARNED ON FUND BALANCE ⁶	TOTAL ANNUAL FUNDING AVAILABLE (F+G+I)	OPERATIONAL EXPENDITURES ⁷	TOTAL BASELINE SURVEY EXPENDITURES ⁸	TOTAL ON-GOING BIOLOGICAL SURVEY EXPENDITURES ⁹	ADDITIONAL MANAGEMENT/ MONITORING TASKS ¹⁰ (F+I)-(K+L+M) & H must be at least 75%	TOTAL EXPENDITURES (K+L+M+N)	DIFFERENCE BETWEEN REVENUE + INTEREST EARNED AND TOTAL EXPENDITURES (F+I)-O	YEAR-END BALANCE (J-O)
1 2007-08	9,536	\$40.12	\$382,623		\$362,206	\$284,044	94.68%	\$18,905	\$665,155	\$195,720	\$110,000	\$0	\$0	\$300,000	\$81,111	\$365,155
2 2008-09	9,536	\$53.52	\$510,339	25.03%	\$468,644	\$365,155	72.24%	\$15,000	\$848,799	\$165,500	\$114,200	\$65,000	\$160,800	\$505,500	(\$21,856)	\$343,299
3 2009-10	9,536	\$55.12	\$525,649	2.91%	\$482,704	\$343,299	72.85%	\$15,000	\$841,003	\$203,765	\$202,500	\$65,000	\$0	\$471,265	\$26,439	\$369,738
4 2010-11	9,536	\$56.78	\$541,419	2.91%	\$497,185	\$369,738	75.84%	\$15,000	\$881,923	\$210,000	\$157,500	\$110,000	\$10,000	\$487,500	\$24,685	\$394,423
5 2011-12	9,536	\$58.48	\$557,661	2.91%	\$512,100	\$394,423	77.57%	\$15,000	\$921,523	\$216,000	\$112,500	\$145,000	\$35,000	\$508,500	\$18,600	\$413,023
6 2012-13	9,536	\$60.23	\$574,391	2.91%	\$527,463	\$413,023	76.56%	\$15,000	\$955,487	\$222,000	\$112,500	\$170,000	\$35,000	\$539,500	\$2,963	\$415,987
7 2013-14	9,536	\$62.04	\$591,623	2.91%	\$543,287	\$415,987	75.29%	\$15,000	\$974,274	\$230,000	\$112,500	\$170,000	\$40,000	\$552,500	\$5,787	\$421,774

Assumptions:

¹The number of taxable parcels will change as more development within Otay Ranch is completed or annexed into the district.

²The Average per parcel assessment is for illustrative purposes only, as parcel classification varies and effects each parcel's tax rate.

³Revenue factors a delinquency rate of 8.17% to the levy amount.

⁴The Carry Forward Budget (Reserve) is equal to the funds remaining at the end of the previous fiscal year.

⁵The Health of the Carry Forward Budget (Reserve) is equal to the fund balance over current year budget. The minimum amount is set by the City's Open Space Policy, i.e. Minimum is 50% of the FY Total Budget, maximum is 100% of the FY Total Budget. Ideal Reserve health is between 75% to 100%.

⁶The actual interest earned for FY07-08 was \$18,905. For every FY after 07-08, it is assumed that the fund balance will earn \$15,000 in interest.

⁷The Operational Expenditures includes the cost of City/County Admin staff time, CFD consultant, Seasonal Park Attendant/Park Ranger salary, and Preserve equipment and improvement costs. The Seasonal Park Attendant position is proposed to be converted to a Park Ranger in FY 09-10. If the POM does not accept an additional 700 acres by the of middle of FY09-10, the Seasonal Park Attendant position will not be converted and the remaining funds may be reallocated to additional management or monitoring tasks (as-needed). A Seasonal Park Attendant position is proposed to be added for every additional 3,000 acres conveyed to the POM. Due to the current economic conditions, cost of living adjustments for salary and benefits have not been factored into the projected operational expenditures.

⁸Baseline surveys are one-time costs and are completed on newly conveyed lands. The cost of baseline surveys is calculated at \$225/ac. It is assumed that: 900 acres will be conveyed to the POM in FY09-10; 700 acres in FY10-11; and 500 acres each year after FY10-11.

⁹On-going biological surveys are annual biota monitoring costs on POM managed lands. The cost of on-going biological surveys is calculated at \$50/acre.

¹⁰Additional Management/Monitoring Fund is the balance of funds from the Revenue and Interest Earned on Fund Balance after Operational, Total Baseline Survey, and Total On-Going Biological Survey costs are deducted. These funds are available if the health of the Reserve fund is at 75% or greater of the total FY budget. These funds can be used on active management on POM managed lands or Preserve-wide biota monitoring efforts (minus those lands managed or owned by the federal or state government). Specific tasks for these funds will be identified annually on an as-needed basis. If no tasks are identified, these funds will be carried forward to the Reserve and/or the assessment rates for the following FY will be adjusted.

Note to Reader:

Approval of Village 13, within the unincorporated County, will require the creation and implementation of a CFD administered by the County of San Diego. This will help defray the costs to manage and monitor the Preserve once homes are built and assessments charged.